

Program A: Executive Administration and General Support

Program Authorization: R.S. 40:2002; 40:2014; 40:2331; 40:1232; and Act 3 of 1997

PROGRAM DESCRIPTION

The mission of the Executive Administration and General Support Program is:

1. To provide access to high quality medical care to residents of Louisiana, regardless of income or insurance coverage, and at a level of care appropriate to their medical needs.
2. To maintain facility environments conducive to quality, accredited residency and other health education programs and work cooperatively with Louisiana medical schools and other health education institutions to afford the maximum opportunity for clinical training in the hospitals.
3. To minimize the cost of the State providing health care to the uninsured by operating its hospitals efficiently, cost effectively, and in accordance with the standards of the hospital industry, and by maintaining a base of patients with third party support, particularly Medicaid.
4. To work cooperatively with other health care programs, providers and groups at the state and community levels, in order to maximize the health care resources available to all the citizens of Louisiana.

The goals of the Executive Administration and General Support Program are:

1. Prevention: To provide health care effectiveness with an emphasis on preventive and primary care.
2. Partnership: To integrate health delivery network with internal and external community partners.
3. Performance: To improve management information systems and fiscal accountability.

This program includes the administrative executive staff and clerical support assigned to these positions. Funding for the Medical Education and Research (Anatomical Services) Program is included in the Anatomical Services activity in the Executive Administrative Program. The Service and Resource Office provides support and resources to the hospitals in the areas of fiscal services, reimbursements, contracting, purchasing, auditing, information systems, human resources, quality assurance, accreditation support, legislative liaison, community networking/partnering, managed care, and patient advocacy. Some administrative support is also provided.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

The objectives and performance indicators that appear below are associated with program funding in both the Base Executive Budget and Governor's Supplementary Recommendations for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables.

1. (KEY) To keep operating expenses for the Administrative Program within 3% of the total Health Care Services Division (HCSD) operating budget.

Strategic Link: This objective reflects the incremental movement toward the achievement of the 1998-2002 HCSD Strategic Plan Goal 3 which emphasizes fiscal accountability. It is to: Implement initiatives which have the objective of better integrating the nine-hospital system and creating the management tools to support the fiscally prudent management of expenditure and revenues. Emphasis has been placed on improving information systems and automation to hospital functions, which are necessary for management efficiency and improvement of patient care.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Administrative (central office) operating budget as ¹ a percent of the total HCSD operating budget	Not applicable ²	1.44%	Not applicable ³	1.30% ⁴	1.26% ⁵	1.26%

¹ This data does not include the administrative operating cost of all nine hospitals. This is inclusive of only the central office of HCSD. The HCSD (representatives of the medical and administrative sides of each medical center and the administrative office) is in the process of developing a new strategic plan which will more clearly reflect the core purposes and values of the Division of Administration. The focus expressed in the goals in the 1998-2002 (health care effectiveness with emphasis on preventive and primary care; integrated health delivery network with internal and external community partners; and improved management information systems and fiscal accountability) is unchanged, but emphasis in the objectives chosen has changed slightly.

² This performance indicator did not appear under Act 19 and therefore had no performance standard for FY 1998-99.

³ This performance indicator did not appear under Act 10 and therefore had no performance standard for FY 1999-2000.

⁴ This Existing Operating Budget Level figure is an estimate and not a standard.

⁵ These figures are projected based on figures from the HCSD budgets of the last three years.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$900,000	\$0	\$0	\$1,194,223	\$2,800,000	\$2,800,000
STATE GENERAL FUND BY:						
Interagency Transfers	21,112,457	30,354,492	30,354,492	31,085,710	30,695,508	341,016
Fees & Self-gen. Revenues	246,000	246,000	246,000	246,000	246,000	0
Statutory Dedications	0	1,194,223	1,194,223	0	0	(1,194,223)
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	865,760	865,760	865,760	865,760	0
TOTAL MEANS OF FINANCING	\$22,258,457	\$32,660,475	\$32,660,475	\$33,391,693	\$34,607,268	\$1,946,793
EXPENDITURES & REQUEST:						
Salaries	\$3,616,714	\$5,043,292	\$4,343,898	\$4,418,525	\$4,396,404	\$52,506
Other Compensation	116,867	78,378	83,378	83,378	83,378	0
Related Benefits	601,849	744,451	643,628	653,889	653,212	9,584
Total Operating Expenses	8,448,078	9,099,772	9,158,044	9,667,170	9,471,957	313,913
Professional Services	3,063,130	4,596,813	1,943,306	1,982,700	1,943,306	0
Total Other Charges	6,156,718	12,809,769	16,106,723	16,259,431	17,732,411	1,625,688
Total Acq. & Major Repairs	255,101	288,000	381,498	326,600	326,600	(54,898)
TOTAL EXPENDITURES AND REQUEST	\$22,258,457	\$32,660,475	\$32,660,475	\$33,391,693	\$34,607,268	\$1,946,793
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	9,993	142	142	142	133	(9)
Unclassified	0	0	0	0	0	0
TOTAL	9,993	142	142	142	133	(9)

A supplementary Recommendation of \$21.7 million, of which all is Uncompensated Care, is included in this program, including 90 positions. Funding of this supplementary recommendation is dependent upon renewal of the 3% suspension of the exemptions to the sales tax.

A supplementary recommendation of \$1.6 million in Uncompensated Care is included in this program. This item is contingent upon Revenue Sources in excess of the Official Revenue Estimating Conference Forecast subject to Legislative approval and recognition by Revenue Estimating Conference.

SOURCE OF FUNDING

This program is funded with State General Fund, Interagency Transfers, Self-generated Revenue, and Federal Funds. The General Fund represents funding for the dispensing of various outpatient medications for asthma, diabetes, and heart failure that are not considered allowable, or reimburseable costs from the Medicaid program. The Interagency Transfers represent reimbursement from the Medicaid Program for services provided to Medicaid eligible and "free care" patients. The Interagency Transfer means of financing is collected at the individual hospital level, based on costs allocated from the Executive Administration and General Support Program, and the funds are then "pooled" back to fund the Executive Administration and General Support Program. The Self-generated Revenue represents anatomical fees collected from medical students to help defray the costs of cadavers supplied by the

Anatomical Services activity. The Federal Funds means of financing is collected at the individual hospital level, and the funds are “pooled” back to fund the Executive Administration and General Support Program.

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$32,660,475	142	ACT 10 FISCAL YEAR 1999-2000
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$0	\$32,660,475	142	EXISTING OPERATING BUDGET – December 3, 1999
\$0	\$31,157	0	Annualization of FY 1999-2000 Classified State Employees Merit Increase
\$0	\$43,470	0	Classified State Employees Merit Increases for FY 2000-2001
\$0	(\$12,341)	0	Risk Management Adjustment
\$0	\$326,600	0	Acquisitions & Major Repairs
\$0	(\$381,498)	0	Non-Recurring Acquisitions & Major Repairs
\$0	\$19,686	0	Legislative Auditor Fees
\$0	(\$261)	0	UPS Fees
\$0	(\$89,918)	0	Salary Base Adjustment
\$0	\$138,561	0	Attrition Adjustment
\$0	(\$61,180)	(9)	Personnel Reductions
\$0	\$362	0	Civil Service Fees
\$0	\$326,378	0	Other Adjustments - Maintenance contracts on existing equipment
\$1,605,777	\$1,605,777	0	Other Adjustments - Increase for medications associated with Disease Management for Asthma, Diabetes, and CHF
\$1,194,223	\$0	0	Net Means Of Financing Substitutions - Substitute State General Fund for Statutory Dedications (Tobacco Funds) for medications associated with Disease Management
\$2,800,000	\$34,607,268	133	TOTAL RECOMMENDED
\$0	(\$23,430,400)	(90)	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$2,800,000	\$11,176,868	43	BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:
\$0	\$21,750,400	90	A supplementary recommendation of \$21.7 million, of which all is Uncompensated Care, is included in the Total Recommended for Administration and General Support, including 90 positions
\$0	\$21,750,400	90	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL

			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$1,680,000	0	A supplementary recommendation of \$1.6 million, of which all is Uncompensated Care, is included in the Total Recommended for Administration and Support
\$0	\$1,680,000	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$2,800,000	\$34,607,268	133	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 105.9% of the existing operating budget. It represents 75.3% of the total request (\$45,935,890) for this program. The increase reflected above is a result of additional funding for medications associated with the Disease Management Program, and funding for maintenance contracts on existing equipment. The funding for the Disease Management medications are expected to have a significant impact on the delivery of services by the Health Care Services Division hospitals. Asthma, Diabetes, and Heart Failure medications are a key component to the Disease Management Initiative, and will assure prevention and management of these illnesses.

PROFESSIONAL SERVICES

40,500	Property appraisal required for determining depreciation as an allowable costs which is reimbursed by Medicaid/Medicare.
650,000	Southern Credit Recovery for collection of of delinquent accounts.
1,025,746	Enter the information Here. Insert as many rows BELOW this line as necessary. DO NOT Range Justify, let it wrap.
6,000	Health Care Education strategies for providing ASC/APC billing training to HCSD billing and medical records staff.
29,500	S. Longo and Associates for developing management plans for hospitals in order to comply with JCAHO Environment of Care standards.
10,000	M. Buyline for evaluating equipment and writing competitive equipment specifications.
47,500	Managed Resources, Inc. for developing policies and procedures as related to Medicare compliance for hospital, physician, and ancillary diagnostic services at Lallie Kemp Regional Medical Center.
74,060	Lakelawn-Metairie Funeral Home and Tharp-Sontheimer Funeral Home for anatomical services.
60,000	Tulane University Hospital and Clinics for providing telephonic triage services 24 hours a day, 7 days a week for patients of HCSD hospitals.
1,943,306	TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

12,105,777	Disease Management
19,686	Legislative Auditor expenses
12,125,463	SUB-TOTAL OTHER CHARGES

Interagency Transfers:

\$3,786,033	Payments to LSU School of Medicine for physician salaries.
\$111,577	Payments to LSU School of Medicine for supplies, telephone, postage, and general support.
\$595,121	Payments to LSU School of Medicine for information services
\$115,808	Payments to LSU Board of Supervisors for rent of the Systems Building
\$420,337	Payments to LSU School of Medicine for the Anatomical Services Program
\$509,898	Payments to Civil Service for Pro-rata share of the costs of operations of Civil Service based on a percentage of salaries
\$68,174	Payments to LSU School of Medicine for IDX Physicians Billing System link with Health Point
\$5,606,948	SUB-TOTAL INTERAGENCY TRANSFERS

\$17,732,411	TOTAL OTHER CHARGES
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ACQUISITIONS AND MAJOR REPAIRS

326,600	Funding for the replacement of inoperable and obsolete equipment
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326,600	TOTAL ACQUISITIONS AND MAJOR REPAIRS
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